

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1912 – HB 2248

April 13, 2016

**SUMMARY OF ORIGINAL BILL:** Prohibits state funds from being expended to support the Office of Diversity and Inclusion (ODI) at the University of Tennessee at Knoxville (UTK) beginning in FY16-17. Any duties relative to compliance monitoring required by the federal government for diversity and inclusion that are currently performed by the ODI staff shall be performed by an employee in the Office of the Chancellor at UTK. Prohibits UTK from hiring an employee to perform any additional duties. All state funds budgeted for the ODI of UTK in FY16-17 shall be reallocated to the Department of Finance and Administration (F&A) to be used in a decal program that will place the national motto on vehicles of state law enforcement agencies. Requires the Governor's annual budget to include an amount equal to the amount appropriated in the previous fiscal year for the decal program beginning in FY17-18.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue- \$436,700/UTK/Office of Diversity and Inclusion  
Increase State Revenue - \$436,700/F&A/Earmarked for Decal Program

Decrease State Expenditures - \$436,700/UTK/Office of Diversity and Inclusion  
Increase State Expenditures - \$436,700/F&A/Earmarked for Decal Program

**SUMMARY OF AMENDMENT (016077):** Deletes all language of the original bill. Prohibits state funds from being expended to promote the use of gender neutral pronouns; to promote or inhibit the celebration of religious holidays; or to fund or support sex week. Requires all funds in the budget of the Office of Diversity and Inclusion (ODI) at the University of Tennessee-Knoxville (UTK), for fiscal year 2016-2017, to be reallocated and used by the university solely for additional scholarships to be awarded through the minority engineering scholarship program. Any funds from the budget of the ODI that are not used for minority engineering scholarships in fiscal year 2016-2017 shall remain in the scholarship program for use in future fiscal years for additional scholarships until expended.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease State Revenue - \$436,700/UTK/Office of Diversity and Inclusion**

**Increase State Revenue - \$436,700/UTK/Earmarked for Minority  
Engineering Scholarship Program**

**Decrease State Expenditures - \$436,700/UTK/Office of Diversity and Inclusion**

**Increase State Expenditures - \$436,700/UTK/Earmarked for Minority  
Engineering Scholarship Program**

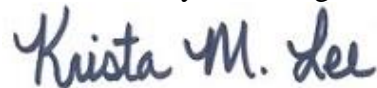
**Other Fiscal Impact – It is assumed that funding for the Office of Diversity and Inclusion will be reinstated in FY17-18 and subsequent years.**

Assumptions for the bill as amended:

- The FY15-16 budget for the ODI of UTK is \$436,722.
- Funds in the amount of \$436,722 will be reallocated from the ODI to fund additional minority engineering scholarship program in FY16-17 and subsequent years until funding from the initial transfer of funds is expended.
- This reallocation will result in a decrease in revenue and expenditures relative to the ODI of UTK and a like increase in state revenue and expenditures to UTK relative to the minority engineering scholarship program beginning in FY16-17.
- The Governor's FY16-17 budget includes \$5,806,700 for the UT Access and Diversity Initiative. It is assumed that this funding will continue to be directed to the University of Tennessee system and will not be a part of the proposed reallocation.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/rbp